

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, MAINE 04333

IN THE MATTER OF:)
)
Morgan Financial Advisors, Inc.)
(CRD #107868))
)
)
)
_____)

CONSENT AGREEMENT
No. 04-077-CAG

This Agreement is entered into by the State of Maine Office of Securities ("Securities") and Morgan Financial Advisors, Inc., ("Morgan") (CRD #107868) a federally registered investment adviser with a principal place of business at 76 Summer Street, Manchester, Massachusetts, 01944.

WHEREAS, the parties agree as follows:

1. Pursuant to 32 M.R.S.A. § 10305-A, a federally registered investment adviser may not act in Maine as an investment adviser unless it files with the administrator, for notice purposes only, such documents filed with the United States Securities and Exchange Commission as the administrator may by rule or order require, together with the fee that would otherwise be applicable pursuant to section 10306 under the Revised Maine Securities Act (hereinafter, "notice filing");
2. Securities has reviewed Morgan's licensing record and has found no record evidencing that Morgan has ever been notice filed with the administrator;
3. According to the records provided by Morgan, it had more than five clients in Maine from September 2000 to January 2001 and thus was required to be notice filed pursuant to 32 M.R.S.A. § 10305-A;
4. It is Securities' position that Morgan has acted as an investment adviser in Maine without being notice filed or exempt from the notice filing requirements; and
5. All parties desire an expeditious resolution of this matter.

NOW THEREFORE, without trial or adjudication of any issue of fact or law, and without Morgan admitting or denying that its conduct violated the Revised Maine Securities Act, it is agreed that:

Morgan will comply with all licensing and other legal requirements governing persons acting as investment advisers in the State of Maine at all times from the date hereof;

In lieu of Securities seeking the imposition of a penalty for the allegations contained herein, Morgan shall pay the sum of \$3,574.77 to Securities upon Morgan's execution of this Agreement; and

Securities will not take further action against Morgan based upon the unlicensed status of Morgan during the period preceding and including the date of execution of the Agreement.

Morgan Financial Advisors, Inc.

By:

5/5/2004
Date

/s/ David J. Ellrich
Signature

David J. Ellrich
(printed name)

Its President

5/5/2004
Date

/s/ David J. Ellrich
David J. Ellrich

7/8/2004
Date

/s/ Christine A. Bruenn
Christine A. Bruenn
Securities Administrator

Reviewed by:

7/13/2004
Date

/s/ Christina V. Breen
Christina V. Breen
Assistant Securities Administrator

Submitted by:

7/8/2004
Date

/s/ Christian D. Van Dyck
Christian D. Van Dyck
Investigator/Examiner

